

~~Paravent~~
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31 July 1959

RECIPIENT FOR: Chief, 3/1/2

TO: Chief, 3/3

FROM: Deputy Chief, 3/10

SUBJECT: Requirement for Additional Information on Jitgeverij
Brugshandel Regnus

REFERENCE:

25X1A2g

REMARKS

1. It is requested that the following requirement be transmitted to D/I, Attention [REDACTED] 25X1A9a

2. The firm Regnus has been engaged in the business of providing publications (including U.S.) to Communist China and in one case was involved in the shipment of US microprint readers which are believed to have also been transshipped to Communist China. Members of DD/P solicited the assistance of this Branch in securing the cooperation of [REDACTED] 25X1C4a [REDACTED] for the purpose of having these [REDACTED] take 25X1C4a appropriate action against this firm. These approaches resulted in the [REDACTED] designating Regnus as a "national" of Communist China under Foreign Assets Control Regulations, in July 1958. This action denied the firm the privilege of engaging in US dollar transactions. On the basis of a CS report that US microprint readers had been shipped by Regnus to Communist China, [REDACTED] issued a 25X1C4a temporary suspension order against Regnus and firms affiliated with it, effective 22 April 1959, which temporarily denied the firm and its affiliates US export privileges. The Regnus firm informed [REDACTED] that they were unaware of the Communist China destination of the microprint readers and supplied documentation showing that the readers had been sent to Poland. Since this was the only evidence of violation of U.S. export controls (most publications do not require a validated license for shipment to Communist China) the suspension order was lifted on 21 May 1959. However, the [REDACTED] is still following the activities of the firm in the hope that additional information will be developed which when added to the previously mentioned report, will permit reinstatement of compliance action against the firm.

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3. The referenced ~~report dated 17 April 1959 was not originally disseminated to the [REDACTED]~~ It was, however, referred to in the Hague Report #1092 (24 June 1959) which resulted in an inquiry from [REDACTED]. The only set of 25X1C4a enclosures to the US report had been sent by D/P to State Department where they were destroyed. The Department of Commerce is interested in seeing copies of these enclosures if they can be made available.

ALL INFORMATION

4. According to the referenced D/P report, Regnus established the firm, Le Tjalk to act for it in U.S. dollar transactions after Regnus was proclaimed a designated national by Treasury Department.

a. Provide further information or documentation showing that Le Tjalk (or any other firm) was established by Regnus for the purpose of frustrating Treasury Department's designation of the firm as a "national" of Communist China. This would, of course, include the use of Le Tjalk or other firms to engage in dollar transactions on the behalf of Regnus.

5. Regnus and its affiliated firms were denied all U.S. export licensing privileges during the 22 April-21 May 1959 suspension period, referred to above.

a. Supply information concerning the receipt of, or orders for, U.S. commodities or publications by Regnus and/or Le Tjalk during the suspension period.

b. Report efforts of either firm to violate the suspension order.

c. Provide documentation if possible.
25X1C4a

6. The [REDACTED] Compliance Case against Regnus is being held in abeyance since they are currently unable to refute that firm's representations that it was uninformed, and therefore unaware, that the microprint readers were to be re-exported from Poland to Communist China.

a. Provide information that Regnus was aware of the communist Chinese destination of this shipment.

7. A Bureau of Foreign Commerce Compliance Action may be applied to affiliates and officials of a firm charged with violations of U.S. export control regulations as well as against the firm itself.

a. Provide the names of all affiliates of Regnus.

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b. Determine which of the principals of Regatus, or Ijalk,
or other affiliated firms should be listed under a [REDACTED]
[REDACTED] compliance order against Regatus. Indicate
their positions and influence in the firms and their partici-
pation in any of the illicit activities referred to above.

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c. [REDACTED] 25X1C4a

8. The attachments to the referenced report are no longer
available in Washington.

a. Provide copies of those attachments if possible.

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[REDACTED]

Distribution:

Orig. & 1 - Addressee
1 - Chief, D/S
1 - S/T Chrono
1 - S/R/T Chrono
1 - Regatus File
1 - MZ Chrono

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RA/S/TH, [REDACTED] bmr/8126 (81 Jul 59)

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